

## Data Sources

**Employment data:** Data on metro and nonmetro employment and unemployment reported in this issue come from two sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the Bureau of Labor Statistics (BLS), provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. The CPS derives estimates based on interviews of a national sample of about 47,000 households that are representative of the U.S. civilian noninstitutional population 15 years of age and over. Labor force information is based on respondents' activity during 1 week each month. Among the data products of the CPS are the monthly files, the earnings microdata files, and the March Annual Demographic Supplement (known as the March CPS). BLS county-level employment data, the Local Area Unemployment Statistics (LAUS), are taken from unemployment insurance claims and State surveys of establishment payrolls, which are then benchmarked to State totals from the CPS. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

Each of these data sets has its advantages and disadvantages. The CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The LAUS provides less detailed employment data than the CPS, but it offers very current employment and unemployment information at the county level and is less subject to short-term fluctuations due to sample variability. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

**Earnings data:** Data on metro and nonmetro earnings reported in this issue come from two sources. The data for average and median weekly earnings worked are drawn from the outgoing rotation of respondents in the monthly CPS, about one-quarter of the total sample. These respondents are asked about the usual earnings on their sole or primary job. The CPS earnings microdata file, referred to as the earnings file, consists of all records from the monthly quarter-samples of CPS households that were subject to having these questions on hours worked and earnings asked during the year. The 1999 data file contained earnings information on almost 160,000 persons. Data are available for all wage and salary workers in both the public and private sectors. The CPS collects information from people at their residences. They may work in other areas, such as nonmetro residents who work in metro areas.

The Bureau of Economic Analysis' (BEA) Regional Economic Information System is the source of the county-level earnings and jobs data used in this issue to analyze nonfarm earnings per job. These BEA data are based primarily on administrative records of the unemployment insurance program. While the CPS analysis is of the earnings of metro and nonmetro residents, the BEA earnings per nonfarm jobs analysis covers the jobs located in metro and nonmetro areas. The analyses also differ in that the CPS earnings are based on full-time workers while the BEA earnings are the average of all jobs in an area, including both full- and part-time jobs. The CPS earnings are an indicator of worker well-being while the BEA earnings are an indicator of the strength of the local labor market.

**Establishment data:** Data on establishments is drawn from County Business Patterns, an annual series published by the U.S. Census Bureau that provides estimates of employment, establishments, and payroll by industry for each county. These data are the most comprehensive source of information on geographic patterns of employment for detailed industries. The Census Bureau does not publish data that could disclose information about the operations of individual companies or establishments. To account for the suppression of these confidential data, ERS uses an enhanced County Business Patterns file produced by Claritas Incorporated that contains imputed values for the suppressed data. Employees totally exempt from the Federal Insurance Contribution Act (farm operators, other self-employed persons, hired farm workers, most government employees, railroad workers, and domestic service workers) are not counted by County Business Patterns.

**Farm labor data:** Information on the characteristics and earnings of hired farmworkers are from the CPS earnings microdata file. The data for average and median weekly earnings and usual weekly hours worked are drawn from the outgoing rotation of respondents in the monthly CPS, as were the overall metro and nonmetro earnings. The 1999 data file is based on information from 1,454 hired farmworkers, which is used to estimate the hired farmworker population.

**Food security data:** USDA sponsors the Food Security Survey, which is conducted by the Census Bureau as a supplement to the Current Population Survey once a year, alternating between spring and fall. A nationally representative sample of about 43,700 households responded to the August 1998 survey. The survey includes questions about household food expenditures, sources of food assistance, food security, and hunger. The food insecurity and hunger-related questions ask about a wide range of perceptions and behaviors reported by households known to have difficulty meeting their food needs.

Household food security status ranges from food secure at one extreme to severe hunger at the other. Based on a thorough statistical analysis of the data from the Food Security Survey, 18 questions have been identified that form a valid, reliable scale measuring the severity of food insecurity and hunger across this range. All questions referred to the 12 months prior to the survey and included a qualifying phrase reminding respondents to report only those occurrences due to limited financial resources. Restrictions to food intake due to dieting or busy schedules were excluded. The full questionnaire is available from ERS. Examples of questions across the range include:

**[Light end of scale]** “The food we bought just didn’t last, and we didn’t have money to get more.” Was that often, sometimes, or never true for you in the last 12 months?

**[Middle of scale]** In the last 12 months did you ever cut the size of your meals or skip meals because there wasn’t enough money for food?

**[Severe end of scale]** In the last 12 months did you ever not eat for a whole day because there wasn’t enough money for food?

Based on responses to these 18 questions, each household is assigned a scale score measuring the severity of food insecurity experienced over the previous year. For analytic and policy purposes, each household is then classified into one of three categories based on their food security scale score: (1) food secure; (2) food insecure with no hunger evident; and (3) food insecure with hunger. The fourth category reported last year, food insecure with severe hunger, was dropped in this year’s report in favor of a separately scaled measure of children’s hunger. This scale is based only on questions that ask specifically about the experiences of children in the household and provides a more precise measure of children’s hunger.

**Housing data:** Housing data are from the 1997 American Housing Survey, conducted by the Bureau of the Census for the Department of Housing and Urban Development. The American Housing Survey is a longitudinal survey designed to provide detailed information on housing structure, use and plumbing characteristics, equipment and fuel use, housing and neighborhood quality, financial characteristics, and household attributes of current occupants. The 1997 national survey interviewed about 46,000 households. Results are weighted to reflect the U.S. population. Data were collected annually 1973-1981 as the Annual Housing Survey, and every other year since 1981 as the American Housing Survey.

**Income, poverty and transfers data:** The household income and poverty data reported in this issue were calculated from the March Annual Demographic Supplement of the Current Population Survey, known as the March CPS. Every year, the March CPS includes supplemental questions on sources and amounts of money received during the previous calendar year. Consequently, income information in the March CPS refers to the previous year. The Census Bureau publishes estimates from the March CPS in the Consumer Income P-60 series. Information on family size and income is used to estimate

the number of families and individuals in poverty based on official guidelines issued by the Office of Management and Budget. Demographic data are available to examine the distribution of income and the characteristics of the poverty populations in metro and non-metro areas.

Information on personal income and transfers payments derives from the Bureau of Economic Analysis (BEA) employment and income data. BEA estimates annual earnings, proprietor's income, transfer payments, and other personal income at the county level based primarily on administrative records. BEA's estimates of personal income includes in-kind sources, such as Medicare and food stamps.

The CPS household income estimates exclude in-kind income, so the two sources differ in both the unit of analysis (local area income per person versus income of households) and the income definition (cash and in-kind versus cash only). The CPS incomes are an indicator of household well-being while the BEA income and transfers are indicators of local area well-being and program dependence.

**Low-wage worker and county data:** The analysis of low-wage workers uses the outgoing rotation of respondents from the 1979 and 1999 Current Population Survey (see "Earnings data" in this appendix).

The county earnings data required to identify low-wage counties comes from the 1995 Covered Wages and Employment Data collected by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor. These data are collected under a cooperative program (also known as the ES-202 program) involving the Bureau of Labor Statistics and the State Employment Security Agencies, which produces a comprehensive tabulation of employment and wage information for workers covered by State unemployment insurance laws and Federal workers covered by the Unemployment Compensation for Federal Employees program. Excluded from the tabulation are members of the armed forces, the self-employed, proprietors, domestic workers, unpaid family workers, and railroad workers covered by the railroad unemployment insurance system. Partial information on agricultural industries and employees in private households is available.

In addition to standard wage and salary cash earnings, wages include vacation and leave pay, bonuses, stock options, tips, the cash value of meals and lodging, and in some States, contributions to deferred compensation plans (such as 401(k) plans). For more complete information about the ES-202 program, visit the Covered Employment and Wages page on the Bureau of Labor Statistics' website at: <http://stats.bls.gov/cewhome.htm>.

**Population and migration data:** Estimates of population change, net migration, and natural increase are from the Bureau of the Census county population estimates issued annually. Population estimates are based on various data sources. Births and deaths are based on vital statistics records. Migration estimates are derived as a residual by subtracting natural population increase from actual increases. Estimates include net gain from other counties as well as the institutional population. Data on the characteristics of migrants are from the March 1999 Current Population Survey.

## Definitions

**Civilian labor force:** Noninstitutional civilians age 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Family:** Family is defined as two or more people residing together who are related by birth, marriage, or adoption.

**Hired farmworkers:** Persons age 15 and older who do farm work for cash wages or salary, including persons who manage farms for employers on a paid basis, supervisors of farmworkers, and general farm and nursery workers.

**Household:** Households consist of all persons living in a housing unit. A house, an apartment, or a single room is considered a housing unit if it is occupied as separate living

quarters. To be classified as separate living quarters, the occupants of the housing unit must not live and eat with any other people in the structure.

**Household income:** The sum of the amounts of money received from wages and salaries; nonfarm self-employment income; farm self-employment income; Social Security or railroad retirement; Supplement Security Income; cash public assistance or welfare payments; dividends, interest, or net rental income; veterans payments; unemployment or workers' compensation; private or government employee pensions; alimony or child support; and other periodic payments for all household members.

**Inflation rate:** The percentage change in a measure of the average price level. The two measures of the average price level used in this issue are the Consumer Price Index for All Urban Consumers (CPI-U) and the chain-type price index for Personal Consumption Expenditures.

**Inmigration** and inmovement are used interchangeably.

**Low-wage counties:** A county is identified as low-wage if it falls into the top 20 percent (quintile) of rural counties ranked by the share of wage and salary workers in low-wage industries. At least 41 percent of all workers in these 465 counties are employed in industries paying average wages that would not lift a full-time, full-year worker above the poverty threshold for a family of four. Average wages are calculated for each 3-digit SIC industry in each county, rather than assuming a single average for each industry.

**Low-wage workers:** Persons ages 25 and older employed in the wage and salary workforce whose earnings, adjusted to a full-time, full-year equivalent, would fall below the weighted average poverty threshold for a family of four (\$17,028 in 1999). Workers younger than 25 are excluded to omit recent labor force entrants who are more likely to have unstable work histories or weak labor force attachment.

**Median household income:** The median household income is the income of the household at the center of the income ranking; that is, where half of all households have higher incomes and half have lower incomes. The median has the advantage of not being influenced by the very high incomes of a small minority of households or persons.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or have an urbanized area of 50,000 or more and total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically integrated with the core county or counties. For most data sources, these designations are based on population and commuting data from the 1990 Census of Population. The Current Population Survey data beginning in 1995 categorizes counties as metro and nonmetro based on population and commuting data from the 1990 census. Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Natural amenities index:** Natural amenities are measured using an index created at the Economic Research Service, combining measures of climate, topography, and the presence of bodies of water. The index of climate attractiveness is defined using January temperature, number of days with sun in January, July temperature (expressed as a residual when regressed against January temperature), and July humidity. Topography is defined as the difference between an index of mountainous or rugged terrain and average elevation. The presence of bodies of water is measured using the percentage of land area covered by water.

**Nonfarm earnings:** The sum of wage and salary income, other labor income, such as privately administered pension and profit-sharing plans, and current production income of nonfarm sole proprietorships, partnerships, and tax-exempt cooperatives.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Outmigration** and outmovement are used interchangeably.

**Personal income:** The sum of money income to a person from all sources, from which money income is regularly received, reported as having been received in the previous calendar year. The sources of money income are wages and salary; net income from the operation of a business or farm; dividends, interest, royalties, and net rental income; alimony and child support payments received from outside the household; pensions; and transfer payments. Specifically excluded under this definition are windfalls, such as a lump sum payment of an inheritance even though in money; capital gains or losses; income in kind; and all within-household gifts or transfers whether in cash or kind.

**Poverty:** A person is in poverty if his or her family's money income is below the official poverty threshold appropriate for that size and type of family. Different thresholds exist for elderly and nonelderly persons living alone, for two-person families with and without elderly heads, and for different family sizes by number of children. The thresholds are adjusted for inflation annually using the Consumer Price Index.

**Region:** For analytical purposes, the United States is divided into four Census regions, which are further divided into nine divisions.

*Northeast region:*

New England—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Middle Atlantic—New Jersey, New York, and Pennsylvania.

*Midwest region:*

East North Central (or Great Lakes)—Illinois, Indiana, Michigan, Ohio, and Wisconsin.

West North Central—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

*South region:*

South Atlantic—Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia.

East South Central—Alabama, Kentucky, Mississippi, and Tennessee.

West South Central—Arkansas, Louisiana, Oklahoma, and Texas.

*West region:*

Mountain—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming.

Pacific—Alaska, California, Hawaii, Oregon, and Washington.

**Rural-urban continuum codes:** Classification system developed by ERS to group counties by the size of their urban population and their adjacency to larger areas. (See Margaret A. Butler and Calvin L. Beale, *Rural-Urban Continuum Codes for Metro and Nonmetro Counties*, 1993, AGES 9425, U.S. Department of Agriculture, Economic Research Service, Sept. 1994).

**Metro counties—**

Central counties of metro areas of 1 million population or more

Fringe counties of metro areas of 1 million population or more

Counties in metro areas of 250,000 to 1 million population

Counties in metro areas of fewer than 250,000 population

**Nonmetro counties—**

Urban population of 20,000 or more, adjacent to a metro area

Urban population of 20,000 or more, not adjacent to a metro area

Urban population of 2,500 to 19,999, adjacent to a metro area

Urban population of 2,500 to 19,999, not adjacent to a metro area

Completely rural or less than 2,500 urban population, adjacent to a metro area

Completely rural or less than 2,500 urban population, not adjacent to a metro area

Nonmetro adjacent counties—

Nonmetro counties are classified as adjacent if they are physically adjacent to one or more metro areas and have at least 2 percent of the employment labor force in the county commuting to the central metro county for work.

**Transfer payments:** Cash or goods that people and nonprofit institutions receive from government and some businesses (for example, liability payments) for which no work is currently performed. Receipt of transfer payments, however, may reflect work performed in the past. For example, elderly people receive Social Security now because they worked earlier in their lives and paid taxes to fund the program. Government transfers to individuals are grouped into the following categories: retirement and disability programs, medical programs, income maintenance programs, unemployment insurance, veterans' programs, and other. Further classification combines Medicaid benefits with income maintenance benefits to form a public assistance category comparable with the classification used by the Social Security Administration.

Note that payments from farm commodity programs are received as part of farmers' gross cash income from current farming activities. They are not transfer payments.

**Typology codes:** Classification system developed and periodically revised by ERS to group counties by economic and policy-relevant characteristics. The typology codes used in this issue are those described in Peggy J. Cook and Karen L. Mizer, *The Revised ERS County Typology: An Overview*, RDRR-89, U.S. Department of Agriculture, Economic Research Service, Dec. 1994.

Economic types (mutually exclusive, a county may fall into only one economic type):

Farming dependent—Farming contributed a weighted annual average of 20 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Mining dependent—Mining contributed a weighted annual average of 15 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Manufacturing dependent—Manufacturing contributed a weighted annual average of 30 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Government dependent—Federal, State, and local government activities contributed a weighted annual average of 25 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Services dependent—Service activities (private and personal services, agricultural services, wholesale and retail trade, finance, insurance, real estate, transportation, and public utilities) contributed a weighted annual average of 50 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Nonspecialized—Counties not classified as a specialized economic type over the 3 years from 1987 to 1989.

Policy types (overlapping, a county may fall into any number of these types and one economic type):

Retirement-destination—The population age 60 years and over in 1990 increased by 15 percent or more during 1980-90 through inmovement of people.

Federal lands—Federally owned lands made up 30 percent or more of a county's land area in 1987.

Commuting—Workers age 16 years and over commuting to jobs outside their county of residence were 40 percent or more of all the county's workers in 1990.

Persistent-poverty—Persons with poverty-level income in the preceding year were 20 percent or more of total population in each of 4 years: 1960, 1970, 1980, 1990.

Transfers-dependent—Income from transfer payments contributed a weighted annual average of 25 percent or more of total personal income over the 3 years from 1987 to 1989.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force age 16 years and older.

**Urban influence codes:** Classification system developed by ERS to group nonmetro counties by the size of their largest city and their adjacency to either large or small metro areas. (See the "Measuring Rurality" briefing room at the ERS website: <<http://www.ers.usda.gov>> for more information.)

#### Metro

Large—Central and fringe counties of metro areas of 1 million population or more

Small—Counties in metro areas of fewer than 1 million population

#### Nonmetro

Adjacent to large metro with own city—adjacent to a large metro area and county contains its own city of 10,000-49,999 residents

Adjacent to large metro without city—adjacent to a large metro area and the county contains no city of at least 10,000 residents

Adjacent to small metro with own city—adjacent to a small metro area and county contains its own city of 10,000-49,999 residents

Adjacent to small metro without city—adjacent to a small metro area and the county contains no city of at least 10,000 residents

Not adjacent with city—not adjacent to a metro area and county contains its own city of 10,000-49,999 residents

Not adjacent with town—not adjacent to a metro area and contains its own town of 2,500-9,999 residents

Not adjacent totally rural—not adjacent to a metro area and contains no town of even 2,500 residents

Note: For a nonmetro county to be classified as adjacent, it must physically abut a metro area and have at least 2 percent of its employed labor force commuting to central metro counties for work. A nonmetro county that is adjacent to metro areas of both sizes is classified as adjacent to the metro area to which the largest percent of its employed labor force commutes to work. The metro-nonmetro definition is based on the Office of Management and Budget definition as of June 1, 1993.